

WG & KM Henry Self Managed Superannuation Fund
1355 Stevens Street, Mundaring WA, 6073

5th July 2019

Private and Confidential

D Baker and Associates
PO Box 310
Midland WA 6936

Dear Sir / Madam,

In connection with your examination of the special purpose financial report of the **WG & KM Henry Self Managed Superannuation Fund** as at 30 June, 2019, we acknowledge our responsibility for ensuring the financial report is in accordance with the accounting standards and UIG Consensus Views detailed in Note 1 to the financial statements, and confirm that the financial report is free of material mis-statement, including omissions, and that we have approved the financial report, as evidenced by our signature on the trustee declaration attached to the financial report.

The following representations are made which are true to the best of our knowledge and belief.

1. Accounting Policies

All the significant accounting policies of the fund are adequately described in Note 1 to the financial statements and are consistent with the policies adopted last year.

2. Fund Books / Records / Minutes

All financial books, records and related data have been made available to you, including minutes of the trustee's meetings and this information has been retained in the appropriate format for the required period of time.

3. Asset Form

The assets of the fund are being held in a form suitable for the benefit of the members of the fund, and have been held in accordance with the fund's investment strategy.

4. Ownership and Pledging of Assets

- a) The fund has satisfactory title to all assets disclosed in the statement of financial position; and
- b) No assets of the fund have been pledged to secure liabilities of the fund or of others.

.../2

5. Investments

- a) Investments are carried in the books at market value, unless otherwise noted in the financial report. Such amounts are considered reasonable in the light of present circumstances;
- b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments, that have not been disclosed in the financial report;
- c) The investment strategy has been determined with due regard to risk, return, liquidity and diversification; and
- d) All investments are acquired, maintained and disposed of on an arm's length basis.

6. Trust Deed

The fund is being conducted in accordance with its governing rules.

7. Superannuation Industry (Supervision) Act and Regulations

The fund is being conducted in accordance with the Superannuation Industry (Supervision) Act 1993, and Regulations ("SIS") and we specifically confirm:

- a) The individual trustees have been nominated and may only be removed in such manner and circumstances as are allowed in the trust deed;
- b) The trustee has complied with all the trustee standards set out in the regulations and the covenants prescribed by SIS Section 52;
- c) No individual trustee is a disqualified person;
- d) The trustee has complied with the investment standards set out in SIS; and
- e) Information retention obligations have been complied with.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial report or to the Australian Taxation Office, other than those already reported.

8. Contributions

We confirm the undeducted contributions, if any, received by the fund are within the limits imposed by the legislation, taking into account contributions paid to other superannuation funds.

9. Internal Controls

We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report and to ensure that the assets of the fund are safeguarded from fraud or error. We advise we have no knowledge or any actual, suspected or alleged fraud affecting the fund.

10. Legal Matters

We confirm you have been advised of all significant legal matters, and that the probability of any material revenue or expenses arising from such legal matters has been adequately accounted for, and been appropriately disclosed in the financial report.

11. Related Parties

All related party transactions have been brought to your attention.

12. Subsequent Events

No events have occurred subsequent to year end that would require adjustment to, or disclosure in, the financial report.

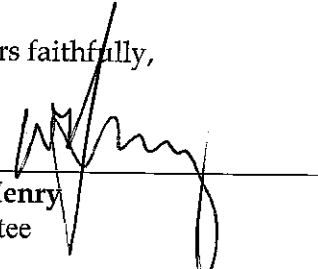
13. Going Concern Assumption

We confirm we have no knowledge of any events or conditions that would cast significant doubt on the fund's ability to continue as a going concern.

14. Uncorrected Misstatements

We note there were no uncorrected misstatements identified by the auditor.

Yours faithfully,



W Henry
Trustee



K Henry
Trustee

WG & KM Henry Self Managed Superannuation Fund
1355 Stevens Street, Mundaring WA, 6073

5th July 2019

D Baker & Associates Pty Ltd
PO Box 310
Midland WA 6936

Dear Sir / Madam,

In preparation for your examination of the special purpose financial report of the **WG & KM Henry Self Managed Superannuation Fund** as at 30 June 2019, the following representations are made which are true to the best of our knowledge and belief:

1. Risk of Fraud

The risk that the financial report is materially misstated due to fraud is considered to be low as a result of the following:

- a) The trustee's are signatories on all transactions, no other party has the authority to act on behalf of the trustee; and
- b) Reconciliations are undertaken by the fund's accountant for both investments held and all bank accounts maintained by the fund.

We have not identified any specific risks of fraud, however we acknowledge that if fraud existed within the fund, the most likely areas of concern would be investments or cash being mis-appropriated or contributions being intercepted prior to being banked into the fund's bank account.

2. Procedures for Identifying and Responding to Fraud

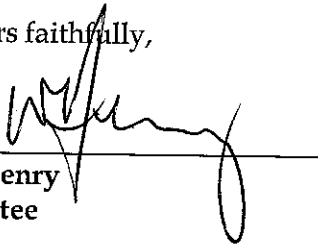
As trustee we believe the procedures in place reduce the risk of fraud, however should fraudulent activity be identified, the trustee would ensure all trustees are aware of the situation and the fund's accountant and auditor would be informed.

Depending on the situation, steps would be implemented to cease the fraudulent activity and controls would be put in place to limit any future activity from affecting the fund.

3. Existence of Fraud

We confirm we have no knowledge of any actual, suspected or alleged fraud affecting the fund.

Yours faithfully,



W Henry
Trustee



K Henry
Trustee

Audit Representation Letter from Trustees

The WG & KM Henry Self Managed Superannuation Fund

Year ended 30 June 2019

To the auditor,

Dear Sir,

With respect to the audit of the financial statements of the above mentioned fund for the year ended stated, the following representations are made which are true and correct to the best of my (our) knowledge and belief that will address the necessary compliance requirements of the *Superannuation Industry (Supervision) Act 1993*.

Preparation of the ATO Income Tax & Regulatory Return

The information disclosed in the annual return is complete and accurate.

Sole Purpose of the Fund

The sole purpose of the Fund is to provide retirement and/or death benefits to its members and/or beneficiaries.

Accounting Policies

All the significant accounting policies of the Fund are adequately described in the Financial Statements and the Notes thereto. These policies are consistently applied unless specifically noted in the Financial Statements and Notes.

Fund Books/Records/Minutes

All financial books, records and relevant material relating to the transactions and activities of the Fund have been made available to you, including minutes of the Trustees' meetings, the Trust Deed (as amended) and the Rules of the Fund. The Financial Statements accurately disclose the Revenue and Expenses and the full extent of the Assets and Liabilities of the Fund.

Asset Form

The assets of the Fund are being held in an acceptable form suitable for the benefit of the members of the Fund, and have been stated at their net market value.

Ownership and Pledging of Assets

1. The Fund has satisfactory title to all assets shown in the Financial Statements
2. Investments are registered in the name of The WG & KM Henry Self Managed Superannuation Fund
3. No assets of the Fund have been pledged to secure liabilities of the Fund or of any other fund or entity.

Investments

1. Investments are carried in the books at their net market value.
2. Amounts stated are considered reasonable in the current market condition, and there has not been any permanent diminution in their value below the amounts recorded in the Financial Statements.
3. There are no commitments, fixed or contingent, for the purchase or sale of long term investments.
4. Investment transactions and investments held are in accordance with the Investment Strategy, which has been determined with due regard to risk, return, liquidity and diversity.
5. The Trustee(s) have complied with all the Investment Standards stipulated in the Regulations relating to the SIS Act as amended.

Trust Deed Amendments

All amendments (if any) to the Trust Deed were made in order for the Fund to comply with the SIS Act, Regulations and any other applicable legislation relating to the operation and governance of the Fund.

Governing Rules

The Fund is being conducted in accordance with its Trust Deed and Governing Rules.

Legislative Requirements

The Fund is being conducted in accordance with the *Superannuation Industry (Supervision) Act 1993*, and the Regulations of the said Act.

Trustee Responsibilities

The Trustees are aware of their responsibilities to the Members and the various regulatory bodies.

Trustee Covenants

The Trustee(s) have complied with all the Trustee Covenants set out in section 52 of the *Superannuation (Supervision) Act 1993*.

Disqualified person not to act as a Trustee

There is no reason why any Trustee should be prohibited from acting as a Trustee of this Superannuation Fund.

Information to Members

Information relating to the transactions and activities of the Fund has been supplied in a timely manner.

Meetings

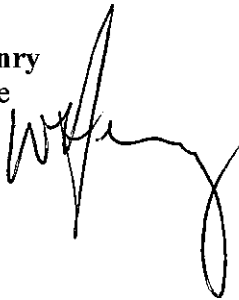
Meetings have been conducted in accordance with the Trust Deed and the requirements of the SIS Act. Resolutions and issues on which the Trustee(s) have voted, or on which they were required to vote have been passed by at least a 2/3rds majority of the Trustees.

Subsequent Events

Since the end of the financial year stated in the Financial Statements till the date of this letter, there have been no events or transactions that would have a material effect upon the Fund either financially or operationally.

Yours faithfully

W Henry
Trustee



K Henry
Trustee



WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

ABN 58 077 087 526

Member's Information Statement

For the year ended 30 June 2019

	2019	2018
	\$	\$
Wayne Henry		
Opening balance - Members fund	79,571	63,040
Allocated earnings	(768)	(725)
Concessional contributions	6,139	10,174
Non concessional contributions	1,842	
Retirement exemption contributions	100,000	
Members taxable contributions		10,000
Income tax expense - earnings	115	109
Income tax expense - contrib'n	(921)	(3,026)
Balance as at 30 June 2019	<u>185,979</u>	<u>79,571</u>
Withdrawal benefits at the beginning of the year	79,571	63,040
Withdrawal benefits at 30 June 2019	185,979	79,571

Withdrawal Benefit

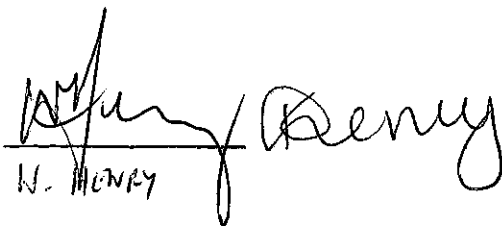
Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represent the sum of:

- member contributions
- superannuation guarantee contributions
- award contributions
- other employer contributions made on your behalf and earnings (after income tax) associated with the above contributions.

The preserved portion of your withdrawal benefit is the amount which cannot be paid out until you permanently retire from the workforce on or after age 55. The preservation age is to be increased from 55 to 60, on a phased in basis, by 2025.

Contact Details

If you require further information on your withdrawal benefit please contact W Henry or write to The Trustee, WG & KM HENRY SELF MANAGED SUPERANNUATION FUND.


W. HENRY

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

ABN 58 077 087 526

Member's Information Statement

For the year ended 30 June 2019

	2019	2018
	\$	\$
Kelly Henry		
Opening balance - Members fund	94,470	78,081
Transfers from other funds		5
Allocated earnings	(911)	(899)
Concessional contributions	6,139	10,175
Non concessional contributions	1,842	
Retirement exemption contributions	100,000	
Members taxable contributions		10,000
Income tax expense - earnings	137	135
Income tax expense - contrib'n	(921)	(3,026)
Balance as at 30 June 2019	<u>200,755</u>	<u>94,470</u>
Withdrawal benefits at the beginning of the year	94,470	78,081
Withdrawal benefits at 30 June 2019	200,755	94,470

Withdrawal Benefit

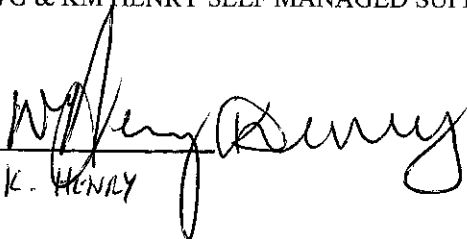
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- member contributions
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- other employer contributions made on your behalf and earnings (after income tax) associated with the above contributions.

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Contact Details

If you require further information on your withdrawal benefit please contact W Henry or write to The Trustee, WG & KM HENRY SELF MANAGED SUPERANNUATION FUND.


K. HENRY

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

ABN 58 077 087 526

Member's Information Statement

For the year ended 30 June 2019

	2019	2018
	\$	\$
Amounts Allocatable to Members		
Yet to be allocated at the beginning of the year		
Benefits accrued as a result of operations as per the operating statement	212,692	32,916
Transfers from other funds		5
Amount allocatable to members	<u>212,692</u>	<u>32,920</u>
Allocation to members		
Wayne Henry	106,407	16,531
Kelly Henry	106,285	16,389
Total allocation	<u>212,692</u>	<u>32,920</u>
Yet to be allocated	<u>212,692</u>	<u>32,920</u>
Members Balances		
Wayne Henry	185,979	79,571
Kelly Henry	200,755	94,470
Allocated to members accounts	<u>386,734</u>	<u>174,042</u>
Yet to be allocated		
Liability for accrued members benefits	<u>386,734</u>	<u>174,042</u>

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

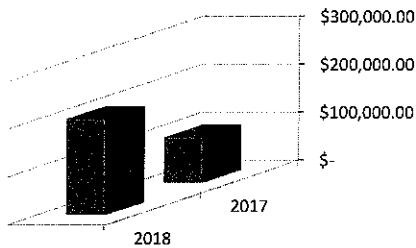
**WG & KM HENRY SELF MANAGED SUPERANNUATION FUND
MEMBERS STATEMENT**

Kelly Henry
1355 Stevens Street
Mundaring, WA, 6073

Your Details

Date of Birth:	24/01/1968	Nominated Beneficiaries:	N/A
Age:	51	Vested Benefits:	\$ 200,755.00
Tax File Number:	Provided	Total Death Benefit:	\$ 200,755.00
Date Joined Fund:	1/07/2012	Current Salary:	
Service Period Start Date:	1/07/2012	Previous Salary:	
Date Left Fund:		Disability Benefit:	
Member Code:			
Account Start Date:	1/07/2012		
Account Type:	Accumulation		
Account Description:	Accumulation		

Your Balance		Your Detailed Account Summary		This Year	Last Year
				\$	\$
Total Benefits:	\$ 200,755.00	Opening balance at 01/07/2018		\$ 94,470.00	\$ 78,081.00
Preservation Components		Increases to Member account during the period			
Preserved	\$ 93,284.00	Employer Contributions		\$ 6,139.00	\$ 10,175.00
Unrestricted Non Preserved	\$ 107,471.00	Personal Contributions (concessional)			\$ 10,000.00
Restricted Non Preserved		Personal Contributions (non concessional)		\$ 1,842.00	
		Government Co-Contributions			
Tax Components	\$ 200,755.00	CGT Small Business Retirement Contributions		\$ 100,000.00	
Tax Free	\$ 107,471.00	Proceeds of Insurance Policies			
Taxable	\$ 93,284.00	Transfers In			\$ 5.00
		Net Earnings		-\$ 912.00	-\$ 900.00
		Internal Transfer In			
		TOTAL Increases		\$ 201,539.00	\$ 97,361.00
		Decreases to Member account during the period			
		Pensions paid			
		Contributions Tax		\$ 921.00	\$ 3,026.00
		Income Tax		-\$ 137.00	-\$ 135.00
		No TFN Excess Contributions Tax			
		Excess Contributions Tax			
		Refund Excess Contributions			
		Division 293 Tax			
		Insurance Premiums Paid			
		Management Fees			
		Member Expenses			
		Benefits Paid/Transfers Out			
		Superannuation Surcharge Tax			
		Internal Transfer Out			
		Total Decreases		\$ 784.00	\$ 2,891.00
		Closing balance at 30/06/2019		\$ 200,755.00	\$ 94,470.00



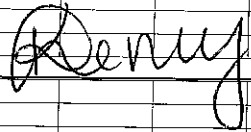
WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

MEMBERS STATEMENT

Trustee's Disclaimer

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. Every effort has been made by the Trustee to ensure the accuracy and completeness of this Statement. The Trustee does not accept any liability for any error, omission or misprint. All amounts shown in relation to benefits do not take into account any amounts which may be withheld to satisfy the requirements imposed by the Income Tax Assessment Act 1936.

Signed by all the trustees of the fund



Kelly Henry
TRUSTEE

**WG & KM HENRY SELF MANAGED SUPERANNUATION FUND
MEMBERS STATEMENT**

Wayne Henry
1355 Stevens Street
Mundaring, WA, 6073

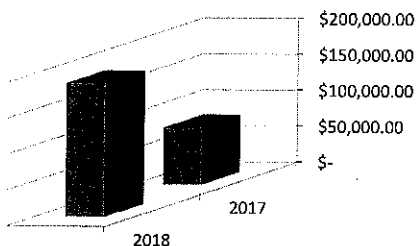
Your Details

Date of Birth:	14/01/1967	Nominated Beneficiaries:	N/A
Age:	52	Vested Benefits:	\$ 185,979.00
Tax File Number:	Provided	Total Death Benefit:	\$ 185,979.00
Date Joined Fund:	1/07/2012	Current Salary:	
Service Period Start Date:	1/07/2012	Previous Salary:	
Date Left Fund:		Disability Benefit:	
Member Code:			
Account Start Date:	1/07/2012		
Account Type:	Accumulation		
Account Description:	Accumulation		

Your Balance \$ 185,979.00

Your Detailed Account Summary

	This Year	Last Year
	\$	\$
Total Benefits:		
Opening balance at 01/07/2018	\$ 79,571.00	\$ 63,040.00
Preservation Components		
Increases to Member account during the period		
Employer Contributions	\$ 6,139.00	\$ 10,174.00
Personal Contributions (concessional)		\$ 10,000.00
Personal Contributions (non concessional)	\$ 1,842.00	
Government Co-Contributions		
CGT Small Business Retirement Contributions	\$ 100,000.00	
Proceeds of Insurance Policies		
Transfers In		
Net Earnings	-\$ 767.00	-\$ 726.00
Internal Transfer In		
TOTAL Increases	\$ 186,785.00	\$ 82,488.00
Decreases to Member account during the period		
Pensions paid		
Contributions Tax	\$ 921.00	\$ 3,026.00
Income Tax	-\$ 115.00	-\$ 109.00
No TFN Excess Contributions Tax		
Excess Contributions Tax		
Refund Excess Contributions		
Division 293 Tax		
Insurance Premiums Paid		
Management Fees		
Member Expenses		
Benefits Paid/Transfers Out		
Superannuation Surcharge Tax		
Internal Transfer Out		
Total Decreases	\$ 808.00	\$ 2,917.00
Closing balance at 30/06/2019	\$ 185,979.00	\$ 79,571.00



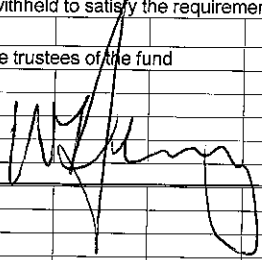
WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

MEMBERS STATEMENT

Trustee's Disclaimer

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. Every effort has been made by the Trustee to ensure the accuracy and completeness of this Statement. The Trustee does not accept any liability for any error, omission or misprint. All amounts shown in relation to benefits do not take into account any amounts which may be withheld to satisfy the requirements imposed by the Income Tax Assessment Act 1936.

Signed by all the trustees of the fund



Wayne Henry
TRUSTEE

THE WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

MINUTES OF MEETING OF TRUSTEE OF THE WG & KM HENRY SELF MANAGED SUPERANNUATION FUND
HELD AT 1355 STEVENS STREET, MUNDARING, WA ON THE 5th JULY 2019

PRESENT: WAYNE HENRY (Chair)
KELLY HENRY

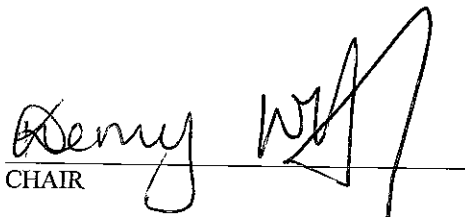
SUPERFUND CONTRIBUTIONS

30.06.19: The chairman tabled a schedule of Super Contributions to 30th June 2019. The details are as follows:

<u>NAME</u>	<u>SUPERANNUATION CONTRIBUTIONS</u>	
Wayne Henry	Concessional Contributions	\$ 6138.80
Kelly Henry	Concessional Contributions	\$ 6138.80
Wayne Henry	Non Concessional Contributions	\$ 1841.64
Kelly Henry	Non Concessional Contributions	\$ 1841.64
Wayne Henry	CGT Small Business Retirement Contributions	\$100000.00
Kelly Henry	CGT Small Business Retirement Contributions	\$100000.00

CLOSURE: There being no further matters to discuss, the meeting was declared closed.

SIGNED AS A TRUE AND CORRECT RECORD


CHAIR

ENGAGEMENT LETTER

To: The Trustees, WG & KM Henry Self Managed Superannuation Fund

Scope

You have requested that we audit the financial report of WG & KM Henry Self Managed Superannuation Fund, which comprises the balance sheet as at 30 June 2019, and the income statement for the year then ended a summary of significant accounting policies, other explanatory notes and the trustees' declaration. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of expressing an opinion on the financial report and compliance with the *Superannuation Industry Supervisory Act 1993*.

We will conduct our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered. In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We take this opportunity to remind you that the responsibility for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Superannuation Industry Supervisory Act 1993* is that of the trustees. Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report in accordance with the applicable financial reporting framework and this responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

Other Matters under the *Corporations Act 2001*

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Corporations Act 2001*, we shall notify you on a timely basis.

We look forward to your full cooperation and make available to us whatever records, documentation and other information we request in connection with our audit.

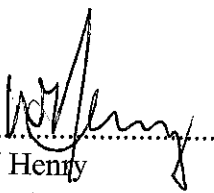
Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial report.

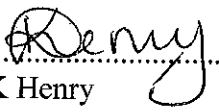
Yours faithfully,

.....

A.W. Boys
Registered Company Auditor 67793

Acknowledged on behalf of, WG & KM Henry Self Managed Superannuation Fund by


.....
W Henry
Trustee


.....
K Henry
Trustee

THE WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

MINUTES OF MEETING OF THE TRUSTEES OF THE WG & KM HENRY SELF MANAGED
SUPERANNUATION FUND
HELD AT 1355 STEVENS STREET, MUNDARING, WA ON THE 5th JULY 2019

PRESENT: Wayne Henry (Chair)
Kelly Henry

**ALLOCATION OF
NET PROCEEDS:**

The trustee has complete discretion in whether to allocate the net year proceeds either proportionately, partially or exclusively or to allow the accumulation in the general accounts. Therefore it was resolved that for the year ended 30 June 2019, that net earnings be distributed in proportion to the members balances at beginning of the year.

INVESTMENTS

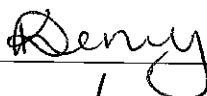
The members resolved that due to the volatility of the share market, The investments of the fund were held in non risk cash management funds.

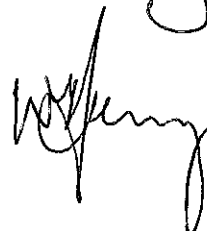
CLOSURE:

There being no further matters to discuss the meeting was declared closed.

SIGNED AS A TRUE AND CORRECT RECORD

CHAIR





WG & KM HENRY SELF MANAGED SUPERANNUATION FUND

ABN 58 077 087 526

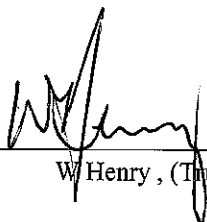
Trustees' Declaration

The trustees have determined that the fund is not a reporting entity and that the special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

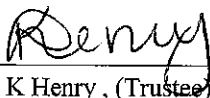
In the opinion of the trustees:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2019 present fairly, in all material respects, the financial position of the Superannuation Fund at 30 June 2019 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements; and
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the Superannuation Fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2019.

Signed in accordance with a resolution of the trustees by:



W Henry, (Trustee)



K Henry, (Trustee)

Date

**MINUTES OF THE MEETING OF THE TRUSTEES
THE WG & KM HENRY SELF MANAGED SUPERANNUATION FUND**

INVESTMENT STRATEGY

Venue: 1355 Stevens Street, Mundaring WA 6073

Date: 01/07/2018

Trustees: W Henry, K Henry

Present: W Henry, K Henry

**Chair: Wayne Henry,
Kelly Henry**

The trustees have resolved that the following Investment Strategy be adopted, regularly reviewed, and implemented for the WG & KM Henry Self Managed Superannuation Fund.

Investment Strategy

As per Regulation 4.09 of the Superannuation Industry Supervision (SIS) Regulations, this investment strategy has been formulated by the trustees with specific regard to:

- the risk and likely return from its investments having regard to the objectives of the fund and its cash flow requirements;
- the composition of the fund's investments as a whole, including the extent to which they are diverse or involve exposure of the fund to risks from inadequate diversification;
- the liquidity of the fund's investments, having regard to its expected cash flow requirements;
- the ability of the fund to discharge its existing and prospective liabilities;
- whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

Investment Objectives:

The investment objectives of the WG & KM Henry Self Managed Superannuation Fund are as follows:

- To target a total annual real return of 3% per annum above the Australian inflation rate. For example, if the Australian inflation rate for the financial year is 3%, the return objective for the year would be 6%.
- To preserve the capital of the fund as much as possible through the investment cycle, whilst paying out income streams to members in the pension phase of the fund.

Cash Flow Requirements:

The cash flow requirements of the fund will include Loan repayments and the expenses of the fund. This is estimated in total to be approximately 2% of the value of the fund at the start of the financial year.

Composition of Investments:

Asset Allocation:

The trustees will invest in a diversified portfolio of assets from across three broad types of investments, according to the trustee's assessment of risk and likely returns from each asset at any point in time, and taking into account the objectives and cash flow requirements of the fund:

- **Secure assets:** these are highly secure with a very low risk of capital loss such as Cash and Term Deposits.
- **Defensive assets:** these are defensive assets with fixed income characteristics, however with added price and/or default risks of varying degrees. This includes Government bonds, investment grade corporate bonds & subordinated debt, mortgage trusts etc.
- **Risk assets:** these offer the highest potential returns but also the highest volatility and risk of permanent capital loss. This includes Australian and international equities, property trusts, direct property, commodities, currencies, collectibles, and derivatives.

Diversification between asset classes and within each asset class will reduce concentration and underperformance risk.

The trustees will use an active strategic approach to allocating to the different types of assets to take advantage of positive market conditions where they exist, but also to attempt to actively manage risk in negative market conditions (particularly in Risk assets).

However this is managed within the framework of the following asset allocation limits, and long-term benchmarks:

	Benchmark	Min	Max
Secure Assets	0%	0%	0%
Defensive Assets	0%	0	0%
Risk Assets	0%	0	0%

Further to this, the trustees will limit investment in the various Risk assets to the following maximum limits:

	Maximum fund investment
Equities	0-
Property	0-
Collectibles	0%
Commodities	0%
Cash	0- 100%

Exposure to any asset class includes both Australian and International based assets, and can be either via direct investments (either listed on an exchange or not), managed investments, or via derivative contracts (either exchange traded or over-the-counter). Derivative exposures are calculated as:

- *“Buy to open” options & warrants:* Market value of the position.
- *“Sell to open” options:* The profit or loss of the open position plus any cash margin covering the position.
- *All futures & CFD contracts to open:* The profit or loss of the open position plus any cash margin covering the position.

Investment Selection:

The trustees will draw on a range of research sources to generate individual investment ideas.

The trustees will invest in a portfolio of medium to long-term core positions that it considers to be of high asset quality, and are priced at or below what it considers ‘fair value’. Given all the members are in the pension phase, the income yield potential of each investment will be a key consideration.

This is combined with some shorter-term trading opportunities (predominantly in Risk assets) based on shorter-term indicators of price appreciation potential.

Liquidity to meet cash flow requirements

The trustees will maintain a sufficient cash balance in the fund's bank account to meet its outgoing cash flow requirements when they fall due.

Further to this, the trustees will also ensure that the liquidity of the vast majority of underlying individual investments is sufficient such that any unexpected cash flow requirements can easily be met by selling assets.

Ability of the fund to discharge its existing and prospective liabilities

As the fund has borrowings on the investment property, the liabilities of the fund will include:

- Monthly Mortgage repayments paid on a regular basis; and
- expenses that are paid on a semi regular basis; and
- death benefits from the unexpected death of a member where a death benefit nomination requires benefit payments to beneficiaries.

The composition and liquidity of all investments will ensure that all existing and prospective liabilities of the fund can easily be met.

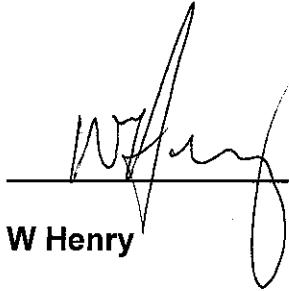
Insurance for members

The trustees have considered if the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

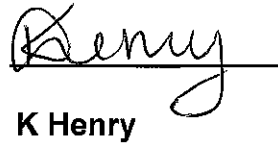
Based on a needs analysis by the trustees, and taking into account the members age and other insurance the members already hold, the trustees have concluded that it should not hold the following insurance cover for the members:

Member	Insurance Type	Amount
W Henry	Death	\$0
	Total & Permanent Disablement	\$0
	Income Protection	\$0
K Henry	Death	\$0
	Total & Permanent Disablement	\$0
	Income Protection	\$0

Signed :



W Henry



K Henry

Trustees of the WG & KM Henry Self Managed Superannuation Fund.

Date : 01/07/2018